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In The

# Supreme Court of the United States

October Term, 1996

RMC INTERNATIONAL, LTD., a corporation,
MICHAEL RESMO, an individual,
JOSEPH MALAGA, an individual,

*Petitioners,*

vs.

SENGOKU WORKS, LTD., a corporation,

*Respondent.*

## Petition For Writ Of Certiorari To The United States Court Of Appeals For The Ninth Circuit

## BRIEF IN OPPOSITION

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## I. STATEMENT OF THE CASE

RMC's Statement of the Case ignores several important facts. A brief restatement of the case is necessary:

Sengoku Works, Ltd. is a Japanese manufacturer of a variety of products from microwave ovens to kerosene heaters. Sengoku has been doing business in the United States since 1972 and selling heaters to the U.S. market under the KEROHEAT mark since 1983. The company's sales in 1994 were $120,000,000.00 world-wide. It has 320 employees and its own research and development department. The defendant RMC was created in 1985 to served as Sengoku's exclusive agent for the sale of kerosene heaters in the United States. In July, 1994, RMC was preliminarily enjoined from selling a radiant heater that was confusingly similar in appearance to the Sengoku's radiant heater and from using Sengoku's KEROHEAT trademark. The issuance of the preliminary injunction was based upon the following facts:

RMC had served as the exclusive distributor of Sengoku's kerosene heater line in the United States for at least eight years. In 1994, RMC took Sengoku's CT-1100 heater to Korea and had a cheap knock-off made. The knock-off duplicated the trade dress of the heater itself *and* the packaging, including the boxes in which the Sengoku heaters were sold, down to the last detail. The counterfeit heaters were so inferior in quality that they were being returned by consumers because their internal components were rusting out after only a few months of use.

The Court preliminarily enjoined the defendants from selling the counterfeit heater or any heater confusingly similar. RMC filed an emergency appeal of the preliminary injunction and the Ninth Circuit unanimously affirmed. Despite being enjoined and loosing the emergency appeal, RMC continued to market and sell counterfeit heaters to Sengoku's customers. The District Court found RMC in wilful contempt of the preliminary injunction, ordered a recall, and awarded Sengoku its attorney fees relating to the contempt.

The case was tried to a seven jury panel. Sengoku called a total of twelve witnesses. RMC called only two live witnesses, defendants Resmo and Malaga, and read from two deposition transcripts of Sengoku employees. At the conclusion of Sengoku's case, RMC voluntarily dismissed all of its counterclaims, which involved allegations of antitrust violations, unfair competition, trade libel, and breach of warranty. The jury rendered a verdict in favor of Sengoku for infringement of Sengoku's trademark and trade dress. With respect to the trade dress, the verdict was rendered for infringement of *both* the product appearance *and* for infringement of Sengoku's packaging – a critical fact that RMC ignores. (Writ App. C2)

Following the trial, RMC presented drawings to the district court that reflected cosmetic changes that RMC proposed to make to the exterior appearance of its radiant heater. (Opp. App. N1-N2) The district court approved the new design – another critical fact omitted from RMC's Writ. (Opp. App. O1-O2) The new design only changed the exterior appearance, the trade dress, of RMC's heater. The functional internal mechanisms and operation of the heater remain the same.

## II. ARGUMENT

### A. THE PERMANENT INJUNCTION DOES NOT PROVIDE PATENT-LIKE PROTECTION BECAUSE IT PERMITS RMC TO USE THE EXACT FUNCTIONAL FEATURES THAT RMC CLAIMS HAVE BEEN TAKEN FROM THE PUBLIC DOMAIN.

The basic thrust of RMC's Writ is that the scope of the trade dress injunction gives Sengoku patent-like protection covering the basic design for kerosene radiant heaters. RMC includes in its brief an internal drawing of a radiant heater to illustrate that the placement of such features as the burn chamber, fuel tank, and operating buttons are purely functional. RMC attempts to mislead this Court into believing that the district court enjoined RMC from incorporating these functional features into its product. Nothing could be farther from the truth. Following the trial, RMC presented drawings to the district court that reflected cosmetic changes that RMC proposed to make to the exterior appearance of its radiant heater. (Opp. App. N1-N2) The district court approved the new design – a critical fact omitted from RMC's Writ. (Opp. App. O1-O2) The new design changed the appearance of RMC's heater without requiring any change to the internal mechanisms or functional operation of the heater.

RMC's new heater is still a rectangular heater with a burn chamber on the left and a fuel tank on the right, yet it avoids the injunction. Moreover, RMC's new heater has competed very effectively in the market place ever since its introduction in 1995. Thus, the injunction has *not* provided patent-like protection or taken any functional features from the public domain as claimed by RMC. To the contrary, the injunction protects purely the cosmetic

appearance – the trade dress – of Sengoku's heater. As the Ninth Circuit explained, "contrary to RMC's claims, another manufacturer may still produce a rectangular shaped heater with a partial grill offset to the right – but in doing so, it may not copy every detail of Sengoku's trade dress." (Writ App. A9)

But instead of seeking review of the case that was actually litigated below, RMC has presented a hypothetical case to this Court involving a theoretical conflict between patent and trade dress law. One supposes that *if* the injunction had forbidden RMC from using the functional features necessary to operate a radiant heater, then there would be a conflict with the patent laws. But that never happened. The injunction only bars RMC from adopting trade dress that "is confusingly similar to the *overall appearance* of plaintiff's CT-1100 radiant kerosene heater". (Writ App. E2, emphasis added) Hence, the issues raised in RMC's Writ have nothing to do with *this* injunction in this case. Instead, RMC has raised general concerns relating to the interplay between patent and trade dress law. It is not the function of this Court to resolve abstract problems in the law. For this reason alone, the Writ must be denied.

Moreover, RMC completely ignores the fact that the judgment below is for infringement of not only the product trade dress, but also for infringement of the packaging trade dress (i.e., the appearance of the boxes in which the heaters were sold). (Writ App. C2) Therefore, any review of the product trade dress issue would have no effect on the outcome of this case because the damages would still stand based upon the trade dress infringement of the packaging. Additionally, now that RMC has

been using its own court-approved trade dress for the past two years, the issue of whether or not it should be permitted to use Sengoku's trade dress is now moot.

### 1. The Definition of Functionality Used in the Jury Instructions Was Taken Directly From Supreme Court Case Law.

RMC attacks the judgment below based upon the alleged functionality of the trade dress without providing this Court with the jury instruction relating to this very issue. The given functionality instruction states, in relevant part, "a trade dress is non-functional if, taken as a whole, the collection of trade dress elements is not essential to the product's use or does not affect the cost or quality of the product . . . ". (Opp. App. P1) This language was borrowed directly from the teachings of this Court in the case of *Inwood Laboratories, Inc. v. Ives Laboratory, Inc.*, 465 U.S. 844, 102 S.Ct. 2189, 72 L.Ed.2d 606 (1982). As the Supreme Court instructed in *Inwood*, "[a feature is functional] if it is essential to its use or purpose of the article or if it affects the cost or quality of the article." *Inwood Laboratories, Inc., supra,* 465 U.S., at 850 n. 10, 102 S.Ct., at 2187 n. 10.

In this case, the jury applied the rule of law set down by the Supreme Court and found that the collection of trade dress elements taken as a whole were not essential to the heater's use and did not affect the cost or quality of the heaters. This factual jury finding based upon substantial evidence cannot be disturbed without violating the Seventh Amendment.

If RMC had any complaint concerning the jury instruction relating to functionality, then it should have objected before the instruction was submitted to the jury. The district court specifically invited objections after the court provided counsel with a copy of the court's proposed jury instructions. (Opp. App. Q1) RMC failed to make any objection at all to the functionality instruction in order to preserve the issue for appeal as required by Fed.R.Civ.Proc. 51. (Opp. App. Q1-Q8) Hence, RMC waived any right to raise the issue of whether the jury should have been instructed to ignore the individual functional features of Sengoku's heater when deciding the overall functionality of the trade dress as now belatedly urged by RMC. *See Larson v. Neimi*, 9 F.3d 1397, 1399 (9th Cir. 1993) ("The requirement of Rule 51 that specific objections to instructions must be made before the jury retires is strictly enforced in the Ninth Circuit.").

**2. RMC Has Misinterpreted Federal Preemption Law.**

RMC argues that the preemption doctrine bars Congress from providing trade dress protection under the Lanham Act for a product's appearance if the product is primarily functional because such protection impinges upon the protections provided under the patent laws. There are three Supreme Court decisions that explain the role of preemption of unfair competition laws by federal patent law. The first two of these cases are known as the *Sears-Compco* cases. *See Sears Roebuck & Co. v. Stiffel*, 376 U.S. 225, 84 S.Ct. 784, 11 L.Ed.2d 661 (1964); *and, Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234, 84 S.Ct. 779,

11 L.Ed.2d 669 (1964). *Sears-Compco* held that states were preempted by the federal patent laws from providing patent-like protection to their citizens. More recently, the Supreme Court re-affirmed the basic principles set forth in *Sears-Compco* in the case of *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 488 U.S. 141, 109 S.Ct. 971, 103 L.Ed.2d 118 (1989). In *Bonito Boats,* the issue involved a Florida molding statute that was held to be unconstitutional. Under the state statute, Florida sought to prevent boat manufacturers from making molds using the hulls of their competitors. The Supreme Court found that Florida was granting patent-like protection to hull designs and properly concluded that such molding statutes were pre-empted by the federal patent laws.

As is evident from *Sears-Compco* and *Bonito Boats,* the preemption doctrine has only been applied in the patent context to state unfair competition statutes. Federal patent preemption has never been used as a tool to preempt a portion of another federal statute such as the Lanham Act. Yet, that is exactly what RMC is now urging this Court to do. The Court should reject the invitation because it has already decided the issue. As the Court explained in *Bonito Boats* itself, "the broadest reading of *Sears* would prohibit the States from regulating the deceptive simulation of trade dress . . . That the extrapolation of such a broad pre-emptive principle from *Sears* is inappropriate is clear from the balance struck in *Sears* itself." *Bonito Boats,* 488 U.S., at 154, 109 S.Ct., at 979.

Since the Supreme Court teaches that a state can offer such trade dress protection without impinging on the Patent Act, then certainly Congress is not preempted from providing such protection. Congress is free to create

overlapping statutory schemes in the area of design patents and trade dress protection if it so desires, which Congress did in fact do when it adopted Lanham Act § 43(a) [15 U.S.C. § 1125(a)]. Congress did not preempt itself by doing so. This very issue of patent preemption of the Lanham Act was addressed in *Kohler Co. v. Moen Inc.*, 12 F.3d 632 (7th Cir. 1993). In *Kohler Co.*, the Seventh Circuit explained,

> It could be argued that Congress could conceivably enact legislation conferring perpetual patent-like monopolies that would conflict with the patent clause's requirement that exclusive rights to authors and inventors be only 'for limited Times.' It is apparent, however, that perpetual **trademark protection under the Lanham Act for a product configuration or design is not the equivalent of impermissible perpetual patent protection**. *Kohler Co.*, 12 F.3d, at 643.

RMC has presented no arguments that would serve to undermine the analysis provided by the Seventh Circuit in *Kohler Co.* There simply is no basis for concluding that product configuration claims under the Lanham Act are preempted by the patent statute.

### 3. There is no Conflict between Trade Dress Law and Patent Law Because They Each Protect Different Policy Interests and Have Different Elements of Proof Tailored to Their Purpose.

The interplay between trade dress law and patent law has been fully explored by many courts. In *Kohler Co.*, *supra*, the Seventh Circuit provided an exhaustive analysis comparing protection for product configuration trade dress compared with protection granted under the patent

laws. The two forms of protection serve very different policy purposes and impose very different elements of proof upon the plaintiff to establish that a violation has occurred. *See Kohler Co.*, 12 F.3d, at 636-44. The Seventh Circuit rejected the same challenges that RMC is making here when it concluded that it could find "no reason for this court to hold that every court that has allowed federal trademark protection for product configurations was mistaken." *Kohler Co.*, 12 F.3d, at 643.

The case of *W.T. Rogers Co., Inc. v. Keene*, 778 F.2d 334 (7th Cir. 1985) is very similar factually to the present case and addressed many of the same issues that RMC has raised. In *W.T. Rogers Co.*, the defendant was a former sales representative for the plaintiff who duplicated the plaintiff's stacking office tray design just as RMC is Sengoku's former sales representative that has duplicated Sengoku's heater design. *Id.*, at 337. Obviously, office trays are very functional products just as radiant heaters are functional products.

The plaintiff in *W.T. Rogers Co.* sought federal trade dress protection for the shape of the stacking office tray that the former sales representative had knocked off just as Sengoku has obtained trade dress protection for its heater. The Seventh Circuit was not at all troubled by the overlap between patent and trade dress law, explaining, "The trademark owner has an indefinite term of protection, it is true, but in an infringement suit must also prove secondary meaning and likelihood of confusion, which the owner of a design patent need not do; *there is therefore no inconsistency between the two modes of protection.*" *Id.*, at 337 (emphasis added). The jury in the present case was properly instructed by the trial court that it was

Sengoku's burden to prove priority of use, non-functionality, secondary meaning, and likelihood of confusion. (Opp. App. P1) There was no impermissible extension of Sengoku's trade dress in violation of any patent policy.

The overlap between patent and trade dress protection was also addressed in *Abbott Laboratories v. Mead Johnson & Co.*, 971 F.2d 6 (7th Cir. 1992). Abbott marketed an oral electrolyte solution under the *Pedialyte* trademark in "translucent, square, quart-sized plastic bottles approximately eight inches high." *Id.*, at 20. Mead entered the market with a competing electrolyte solution using an identically shaped bottle. *Id.* Abbott claimed trade dress protection in the shape of the bottle. *Id.* The Court noted, "These bottles have traditionally been used by hospitals, nursing homes and other health care providers to contain sterile solutions . . . ". *Id.* In other words, the general shape of the bottle was in the public domain. Yet, this fact was not a bar to Abbott's claim for trade dress protection. So long as Abbott could prove non-functionality, secondary meaning, and a likelihood of confusion, Abbott had a right to claim trade dress protection in the shape of its bottle. *Id.*

Applying the law to this case, Sengoku had a right to assert trade dress protection so long as Sengoku proved non-functionality, secondary meaning, and confusing similarity. *See Intern'l Jensen, Inc. v. Metrosound U.S.A., Inc.*, 4 F.3d 819, 823 (9th Cir. 1993). It is not appropriate for this Court to review the jury's findings on these issues because each element of trade dress infringement involves an issue of fact. For instance, in *Bauer Lamp Co., Inc. v. Shaffer*, 941 F.2d 1165 (11th Cir. 1991), an exclusive

distributor knocked off the design for a lamp made by the manufacturer that the distributor had formerly represented. The jury found that the lamp design was protectible trade dress. On appeal, the Eleventh Circuit concluded, "Since each element [of trade dress infringement] is fact sensitive, we cannot reverse the jury verdict 'absent clear error.' " *Bauer Lamp Co.*, 941 F.2d, at 1170. The Eleventh Circuit affirmed. Just as in *Bauer Lamp Co.*, there was ample evidence here to support the jury's finding of trade dress infringement.

**4. Sengoku Provided the Jury With Substantial Evidence to Satisfy all the Traditional Elements of a Claim for Trade Dress Configuration Infringement.**

**a. Substantial Evidence Supports the Jury's Finding of Non-Functionality.**

Sengoku presented substantial evidence to the jury to show that the heater design was nonfunctional. The issue of functionality is an issue of fact for the jury. *See Vision Sports, Inc. v. Melville Corp.*, 888 F.2d 609, 614 (9th Cir. 1989) ("Functionality is an issue of fact"), *see also, Vuitton Et Fils S.A. v. J. Young Enterprises, Inc.*, 644 F.2d 769, 775 (9th Cir. 1981) ("The issue of functionality has consistently been treated as an issue of fact."). Much of the evidence of non-functionality was in the form of alternative designs. Alternative designs are considered to be a very important factor in determining functionality. *See Hartford House, Ltd. v. Hallmark Cards, Inc.*, 846 F.2d 1268, 1273 (10th Cir. 1988) (The availability of alternative designs is a "key factor in determining that a trade dress is nonfunctional."). There were numerous examples of

different heater designs evidenced by pages taken from heater catalogs and owner's manuals, which demonstrated that other competitors over the years have been able to come up with their own designs. Furthermore, a Sengoku design engineer testified extensively about the design alternatives that he considered when he came up with his own design for Sengoku. Another Sengoku design engineer testified that there was no cost advantage to the Sengoku design.

When the defendant Mead complained in *Abbott Laboratories, supra,* just as RMC does here, that there simply were no other equally efficient designs, the Seventh Circuit posed the question of "whether Mead's limited options were the result of its own failure to timely develop or seek out reasonable alternatives." *Id.,* at 22. The evidence at trial in this case answered that question. The evidence clearly showed that RMC made no effort "to timely develop or seek out reasonable alternatives". *Id.,* at 22. RMC simply copied Sengoku's design.

That fact that all kerosene heaters include functional elements is not the issue. In *Fuddruckers, Inc. v. Doc's B.R. Others, Inc.,* 826 F.2d 837 (9th Cir. 1987), the Ninth Circuit explained, "We examine trade dress as a whole to determine its functionality [citation omitted]; *functional elements that are separately unprotectible can be protected together as part of a trade dress." Id.,* at 842 (emphasis added). Just as in *Fuddruckers,* some of the individual elements of Sengoku's trade dress have a function. However, the overall *positioning* of all of the functional elements and their *relationship* to each other is a matter of design choice and can serve as trade dress. *See Lisa Frank, Inc. v. Impact Intern'l, Inc.,* 799 F.Supp. 980, 986 (D.Az.

1992). This is exactly what the testimony of Sengoku's design team demonstrated at trial. The arrangement of the heater components (knobs, switches, controls) and the overall appearance (shape, color, location of grill, burner) was a matter of design choice. *Id.*

The Ninth Circuit was confronted with a similar trade dress issue in *Clamp Mfg. Co., Inc. v. Enco Mfg. Co., Inc.*, 870 F.2d 512 (9th Cir. 1989). In *Clamp Mfg.*, the jury found the design for a standard C-clamp to be protectible trade dress because the plaintiff demonstrated there were *alternative* C-clamp designs that could have been adopted by the defendant. Just as in *Clamp Mfg.*, Sengoku presented substantial evidence to the jury of alternative designs. The jury accepted that evidence as credible on the issue of non-functionality. There was no error.

**b. Substantial Evidence Supports the Jury's Finding of Secondary Meaning.**

Each one of the heater industry witnesses testified regarding the fact that buyers identify the shape of CT-1100 heater with Sengoku. This is the very definition of secondary meaning. The large sales volume of heaters sold by Sengoku over the years was also strong evidence that the design had acquired secondary meaning. *See Vaughan Mfg. Co. v. Brikam Intern'l, Inc.*, 814 F.2d 346 (7th Cir. 1987) (Secondary meaning in appearance of card table proven by large sales volume).

Furthermore, the jury was entitled to infer the existence of secondary meaning from RMC's direct copying of the Sengoku design. RMC had Sengoku's heater sent to Korea for Wooshin to copy so that RMC could exploit the

goodwill that Sengoku had spent years developing. As the Ninth Circuit instructs, "There is no logical reason for the precise copying save an attempt to realize upon a secondary meaning that is in existence." *Audio Fidelity, Inc. v. High Fidelity Recordings, Inc.*, 283 F.2d 551, 558 (9th Cir. 1960), *see also, Vision Sports, Inc. v. Melville Corp.*, 888 F.2d 609, 615 (9th Cir. 1989) ("we have held that proof of copying strongly supports an inference of secondary meaning."); *and, Transgo, Inc. v. Ajac Transmission Parts Corp.*, 768 F.2d 1001, 1016 (9th Cir. 1985) ("Proof of exact copying, without any opposing proof, can be sufficient to establish a secondary meaning."). As the fact finder, the jury weighed the evidence and concluded that secondary meaning did exist. There was substantial evidence to support this reasonable conclusion.

**c. Substantial Evidence Supports the Jury's Finding of Likelihood of Confusion.**

Since 1985, the issue of likelihood of confusion has been a question of fact in the Ninth Circuit. *See Levi Strauss & Co. v. Blue Bell, Inc.*, 778 F.2d 1352 (9th Cir. 1985); *Fuddruckers, Inc.*, 826 F.2d, at 846 (Finding sufficient support in record for jury verdict on issue of confusion.). With respect to the issue of likelihood of confusion, Professor McCarthy teaches that the jury can simply draw its own conclusion based upon a comparison of the products. *See McCarthy on Trademarks*, § 23.20[2]. As McCarthy explains, "it would not be necessary for any witness to testify to instances of actual confusion . . . the decision-maker can decide the issue by

inspection of the conflicting marks and their manner of use." *Id.* Hence, the jury was free to compare the trade dress at issue and come to its own conclusion regarding whether the trade dress of the heaters was confusingly similar, which it did.

In addition, industry witnesses testified to their own confusion and regarding confusion among dealers who were confusing parts orders. Industry witnesses further testified that consumers rely on the shape of the heaters when making a purchase. The combination of the jury's own assessment and the testimony regarding actual confusion in the market place was more than sufficient evidence to support the jury's verdict.

## B. THE JURY WAS PROPERLY INSTRUCTED CONCERNING THE ISSUE OF TRADEMARK OWNERSHIP.

### 1. RMC Has Failed to Present the Jury Instruction Addressing the Rights Conferred by a Federal Trademark Registration.

RMC complains that the district court failed to instruct the jury concerning the statutory presumption that a federal registration is prima facie evidence of the registrants rights in the mark. *See* 15 U.S.C. § 1057(b). RMC is wrong. The instruction was given. But RMC has not provided it to this Court. The jury instruction states in relevant part, "the owner may obtain a certificate of registration issued by the United States Patent and Trademark Office. Thereafter, when the owner brings an action for infringement, the owner may rely solely on the registration certificate to prove that the owner has the right to

exclude others from using the trademark". [Opp. App. R1-R2] This is a fair and accurate explanation of the statutory presumption contained in 15 U.S.C. § 1057(b). *See George v. City of Long Beach*, 973 F.2d 706, 708 (9th Cir. 1992) ("Jury instructions are reviewed for an abuse of discretion to determine if they are misleading or inadequate.") RMC never objected to this instruction at the jury instruction conference. (Opp. App. Q1-Q8) There was no error.

The fact that RMC never objected to the instruction means any objection now has been waived. Fed.R.Civ. Proc. 51 requires that specific objections be made to jury instructions before the case is given to the jury. The Ninth Circuit has repeatedly reminded trial counsel, "This court has enjoyed a reputation as the strictest enforcer of Rule 51." *Hammer v. Gross*, 932 F.2d 842, 847 (9th Cir.) (*en banc*), *cert. denied*, 502 U.S. 112 S.Ct. 582, 116 L.Ed.2d 607 (1991), *see also, Larson v. Neimi, supra*, 9 F.3d, at 1399 ("The requirement of Rule . . . 51 that specific objections to instructions must be made before the jury retires is strictly enforced in the Ninth Circuit.").

At the jury instruction conference, the trial court twice requested that counsel state any objections they may have to the jury instructions. On the first occasion, the court stated, "Now finally, you have been provided with a copy of the tentative jury instructions, as well as the proposed verdict form. Are there any objections or anything you wish to say for the record at this time?" (Opp. App. Q1) RMC responded by raising several issues, none of which involved a request that the presumption as stated be modified. (Opp. App. Q1-Q8) Later in the conference when the discussion had become argumentative

in the district court's view, the court repeated, "I'm giving you an opportunity to suggest what other objections you have, but don't engage in any argument because it is unpersuasive." (Opp. App. Q5) RMC made additional objections, but none mentioned the statutory presumption. (Opp. App. Q5-Q8) As a result, RMC failed to preserve the issue for appeal. *See United States v. Parsons Corp.*, 1 F.3d 944, 945 (9th Cir. 1993) ("But it's one thing to tell the district judge your preferences, and quite another to object when he disregards them.").

**2. The Jury Instruction on Trademark Ownership Was a Proper Statement of the Law.**

Even if RMC had objected properly, it would have made little difference because the jury instructions taken as a whole were proper for the following reasons: At trial, RMC insisted that the KEROHEAT mark was RMC's private label. Sengoku contended that it was the owner of the mark as the foreign manufacturer of the goods and RMC was nothing more than its exclusive distributor in the United States. The Court gave the jury a balanced instruction explaining the legal basis for both private label rights and the rights of foreign manufacturers and their exclusive U.S. distributors. (Writ App. M1-M3) The jury found that RMC was Sengoku's exclusive U.S. distributor and rejected RMC's private label theory. This was a factual determination made by the jury that was supported by substantial evidence and it cannot be disturbed on appeal.

Moreover, the jury instruction given is supported by a substantial body of law. The Trademark Trial and

Appeal Board has routinely voided trademark registrations when they are improperly obtained in the name of a U.S. distributor. As the Board teaches, "It has been consistently held that as between a foreign manufacturer and its exclusive United States distributor the foreign manufacturer is considered to be the owner of the mark unless agreement between them provides otherwise." *In re Eucryl Ltd.*, 193 U.S.P.Q. 377, 378 (T.T.A.B. 1976) (unpub.).

If the Court were to adopt RMC's opposing view of the law, then it would require that the United States Patent and Trademark Office change its long established procedures for examining trademark applications submitted by U.S. applicants that seek to register marks for products that are made overseas. (Opp. App. S1-S4) Contained in § 1201.06 of the Trademark Manual of Examining Procedure (MPEP) are the same factors for determining ownership identified by the district court in the jury instruction. RMC never informed the Trademark Office that it was *not* the manufacturer of the heaters as required by MPEP § 1201.06. As a result, the Trademark Office issued RMC's trademark registration without knowing that RMC was not the manufacturer. If the Trademark Office had been properly informed at the time the application was submitted, the application would not have been approved.

RMC is in the same position as the plaintiff in *Spencer v. VDO Instruments, Ltd.*, 352 F.2d 784 (6th Cir. 1965). In *Spencer*, the plaintiff was an importer of the manufacturer's product and the importer had obtained a U.S. trademark registration for the manufacturer's trademark. The Sixth Circuit held the importer's registration to be

void, explaining, "plaintiff and his predecessors in interest were nothing more than importers under a license that was terminable at the will of the licensor [manufacturer]. He obtained no rights of ownership under which he was entitled to register the trade-mark as his own." *Spencer*, 352 F.2d, at 786. Likewise, RMC's trademark registration for KEROHEAT is void because RMC never acquired any rights in Sengoku's mark merely by selling Sengoku's product.

RMC's continued use of the KEROHEAT trademark was a clear infringement of Sengoku's rights. *See McCarthy on Trademarks and Unfair Competition, supra,* § 29.02 ("When the U.S. distributor agreement expires, the U.S. distributor has no right to continue use of the mark. A federal registration granted to such an ex-distributor is void ab initio."), *see also, Spencer v. VDO Instruments, Ltd.*, 232 F.Supp. 735, 737 (E.D.Mich. 1964) (Exclusive distributor's trademark registration only good " 'during the period of his exclusive use.' "); *and, Energy Jet, Inc. v. Forex Corp.*, 589 F.2d 1110 (E.D.Mich. 1984) (Former distributor enjoined from using manufacturer's trademark). As McCarthy explains, in the absence of an assignment of some kind, "all rights to the trademark in the United States are presumed to be in the foreign manufacturer." *McCarthy, supra,* § 29.02. Hence, it was perfectly proper for the jury to conclude that RMC's trademark registration for the KEROHEAT mark did not shield it from liability after RMC ceased to be Sengoku's authorized representative.

## III. CONCLUSION

For all the foregoing reasons, Sengoku respectfully requests that RMC's Writ be denied.

Respectfully submitted,

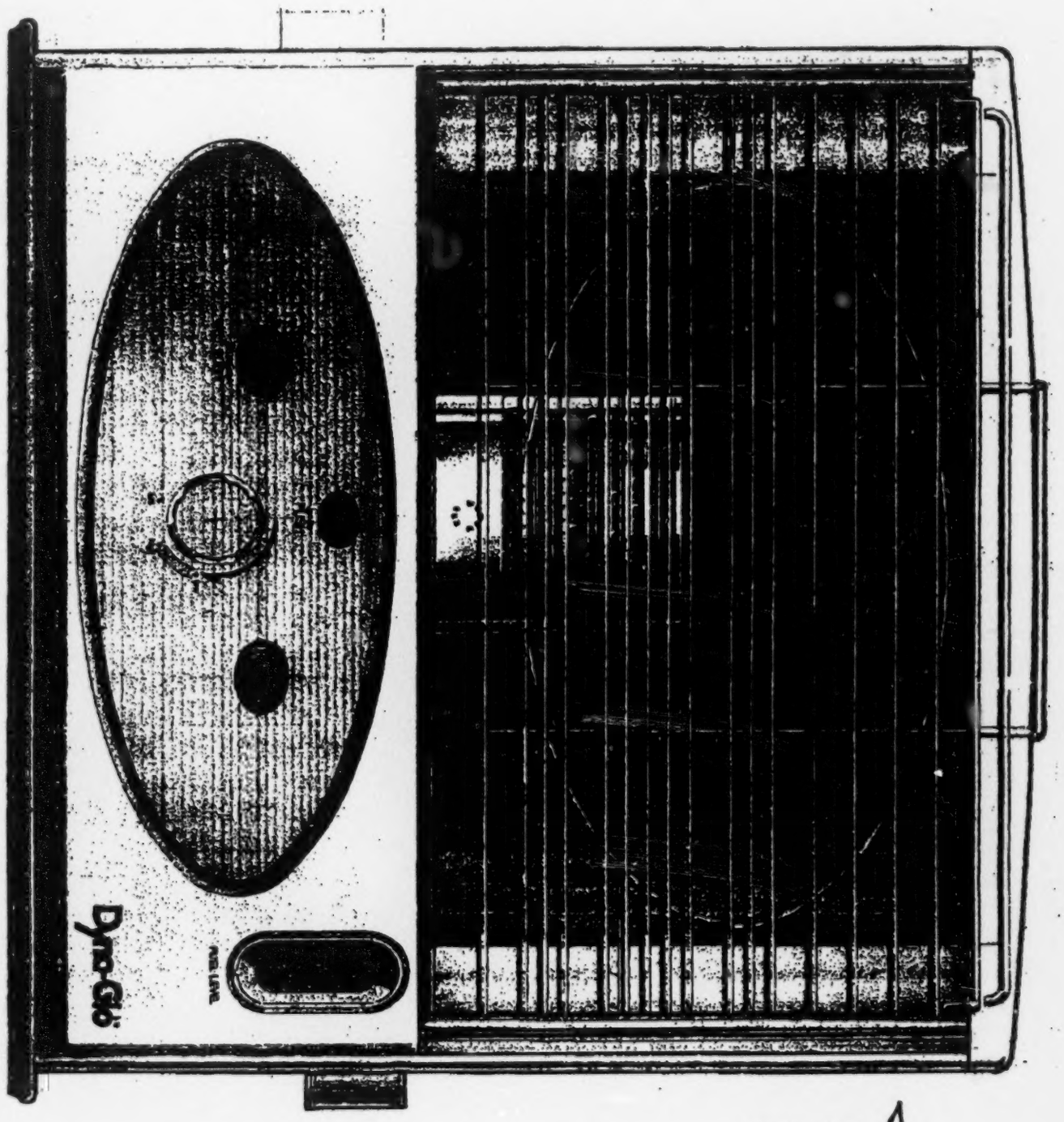
R. JOSEPH TROJAN
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433 North Camden Drive
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310-281-1662
*Attorney for Respondent*

May 19, 1997

# APPENDIX N

N1

**CONFIDENTIAL**
**FOR ATTORNEY'S EYES ONLY**



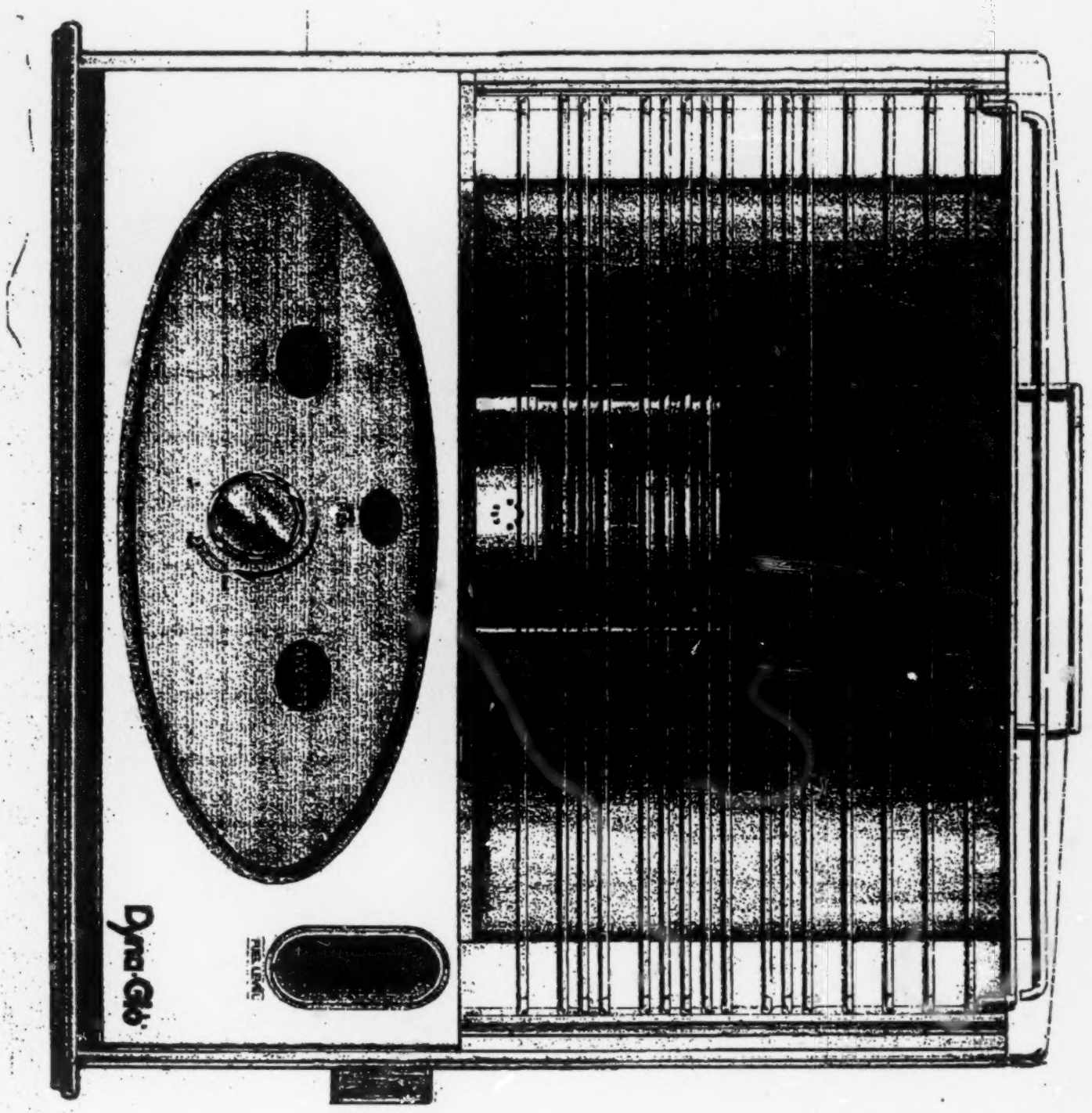

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EXHIBIT A
PAGE 5

(B)

N2

**CONFIDENTIAL**
**FOR ATTORNEY'S EYES ONLY**




N2

EXHIBIT A
PAGE 4

# APPENDIX O

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Michael RESMO, and Joseph MALAGA

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

THE WESTERN DIVISION

| | |
|---|---|
| SENGOKU WORKS LTD., a corporation, and DOES 51-100<br><br>Plaintiff and Counterdefendant,<br><br>v.<br><br>RMC INTERNATIONAL, LTD., a corporation, MICHAEL RESMO, an individual, JOSEPH MALAGA, an individual and DOES 1-50<br><br>Defendants and Counterplaintiffs. | Case No. CV 94 3197 ER (EK)<br>**ORDER GRANTING DEFENDANTS; MOTION FOR JUDICIAL APPROVAL OF RMC'S MODIFIED DYNA-GLO RMC-55R RADIANT HEATER**<br>Date: May 1, 1995<br>Time: 10:00 a.m.<br>Crtm: No. 1, Before the Honorable Judge Edward Rafeedie<br>(Filed June 12, 1995) |

The Court, having considered Defendants' motion for judicial approval of RMC's modified *Dyna-Glo* RMC-55R radiant heater and having found good cause thereon, hereby grants Defendants' motion. Defendants' *Dyna-Glo* RMC 55R radiant heater is not confusingly similar to the CT-1100 radiant heater and therefore does not fall within the injunction in place in this case.

Dated: June 12, 1995

/s/ EDWARD RAFEEDIE
HON. EDWARD RAFEEDIE
UNITED STATES DISTRICT COURT

Presented By:

/s/ Alan P. Block
Alan P. Block, a member of
**POMS, SMITH, LANDE & ROSE**
Professional Corporation

Attorneys for
RMC INTERNATIONAL, LTD,
Michael RESMO, and Joseph MALAGA

# APPENDIX P

On plaintiff's claim for trade dress infringement, the plaintiff has the burden of proving each of the following by a preponderance of the evidence:

1. plaintiff began to use the CT-1100 radiant kerosene heater trade dress for its radiant kerosene heaters;

2. defendant began to use its own radiant kerosene heater trade dress thereafter;

3. defendant's use of its trade dress was without the consent of the plaintiff;

4. plaintiff's trade dress is non-functional;

5. plaintiff's trade dress is inherently distinctive or has acquired secondary meaning; and

6. defendant's trade dress is likely to cause confusion among ordinary purchasers as to the source of plaintiff's and defendant's goods.

Trade dress is the non-functional physical detail and design of a product or its packaging, which indicates or identifies the product's source and distinguishes it from the products of others.

Trade dress includes color schemes, textures, sizes, designs, shapes, and placements of words, graphics, and decorations on a product or its packaging.

A trade dress is non-functional if, taken as a whole, the collection of trade dress elements is not essential to the product's use or does not affect the cost or quality of the product even though certain particular elements of the trade dress may be functional.

A person or company who uses the trade dress of another may be liable for damages.

# APPENDIX Q

[p. 5] BUT IT DOES NOT HAVE TO BE AN EXHIBIT.

NOW FINALLY, YOU HAVE BEEN PROVIDED WITH A COPY OF THE TENTATIVE JURY INSTRUCTIONS, AS WELL AS THE PROPOSED VERDICT FORM.

ARE THERE ANY OBJECTIONS OR ANYTHING YOU WISH TO SAY FOR THE RECORD AT THIS TIME?

MR. WEIR: YES, YOUR HONOR, ON THE PROPOSED JURY FROM THE LAST ISSUE PLAINTIFF'S CLAIM FOR –

THE COURT: WHICH FORM?

MR. WEIR: THE PROPOSED JURY FORM.

THE COURT: VERDICT FORM?

MR. WEIR: YES.

THE LAST ISSUE, PLAINTIFF'S CLAIM FOR INFRINGEMENT OF THE KEROHEAT TRADEMARK. THEIR CLAIM IS ONE FOR CANCELLATION OF THE KEROHEAT TRADEMARK. THERE IS NOT A CLAIM FOR DAMAGES RELATED TO IT. THE ISSUE FOR THE JURY REALLY IS WHETHER OR NOT PLAINTIFF OWNS THE KEROHEAT –

THE COURT: YOU DIDN'T SUBMIT AN INSTRUCTION TO THAT EFFECT.

IS THAT CORRECT?

MR. TROJAN: NO, THAT'S NOT CORRECT, YOUR HONOR.

THE COURT: WHAT IS NOT CORRECT?

MR. TROJAN: THIS HAS BEEN A TRADEMARK-TRADEDRESS INFRINGEMENT SUIT FROM THE VERY BEGINNING.

THE COURT: YOU ARE TALKING ABOUT THE USE OF THE [p. 6] MARK KEROHEAT.

MR. TROJAN: RIGHT.

WE HAVE A HEATER THAT'S MADE BY WOOSHIN WITH KEROHEAT ON IT. OF COURSE WE ARE SUING FOR THE INFRINGEMENT OF THAT REGISTRATION.

THE COURT: I THINK THAT'S RIGHT.

MR. WEIR: JUST NOTE MY OBJECTION. THE COMPLAINT SAYS IT IS ONE FOR CANCELLATION. DOESN'T ALLEGE THAT. THE PRETRIAL CONFERENCE ORDER SAYS THAT IT IS FOR CANCELLATION AND DOESN'T RAISE THOSE ISSUES.

THE COURT: TO THE EXTENT IT'S BEEN TRIED ON THAT THEORY, THE COURT WOULD MAKE ANY NECESSARY AMENDMENT TO ALLOW THE THEORY TO PROCEED TO THE JURY.

IS THERE ANY OTHER INSTRUCTION?

MR. WEIR: ALSO ON THE ISSUE OF TRADEDRESS INFRINGEMENT AND KEROHEAT, IMPORTANT ISSUE ON BOTH OF THOSE IS TRADEMARK OWNERSHIP, WHO OWNS THE RIGHTS. WOULD THE COURT BE INCLINED TO ASK A QUESTION – WHAT WE WOULD LIKE TO SEE IS A QUESTION: HAS PLAINTIFF SHOWN BY A PREPONDERANCE THAT THEY ARE THE OWNER OF THE MARK?

THE COURT: I THINK THAT'S COVERED BY THESE INSTRUCTIONS. IF THEY SHOW INFRINGEMENT IMPLICITLY THAT - THE INSTRUCTIONS GIVEN TO THEM TELLS THEM THE PARTY THAT USES IT HAS THE RIGHT TO EXCLUDE OTHERS FROM USING IT, AND I THINK THAT THAT IS ALL THAT IS REQUIRED.

[p. 7] MR. SHAPIRO FROM OUR OFFICE HAS BEEN WORKING ON THE JURY INSTRUCTIONS. I THINK HE HAS JUST A FEW POINTS.

MR. SHAPIRO: THANK YOU, YOUR HONOR.

STEVEN SHAPIRO FROM POMS, SMITH, LANDE AND ROSE.

WE JUST HAVE A FEW COMMENTS REGARDING THE TENTATIVE INSTRUCTIONS.

WITH RESPECT TO BAJI 10.56 WHICH DEALS WITH THE CONTRACT MAY BE EXPRESSED OR DENIED IN FACT. IT IS OUR POSITION, AND IT HAS BEEN ALL ALONG, THE COMPLAINT ONLY DEALS WITH A WRITTEN AGREEMENT. IT DOESN'T DEAL WITH ANY IMPLIED IN FACT. AND THAT HAS ALSO BEEN NOTED IN OUR PRETRIAL CONFERENCE ORDER.

AND JUST WANTED TO CLARIFY THAT'S BEEN OUR POSITION ALL ALONG THAT THAT'S ISSUE -

THE COURT: JUST MAKE YOUR POINT, COUNSEL, AND MOVE ON.

WHAT ELSE?

MR. SHAPIRO: YOUR HONOR, YOU HAVE A PARTIAL PERFORMANCE PART OF THE AGREEMENT DEALING WITH THE STATUTE OF FRAUDS. AND OUR UNDERSTANDING OF THE LAW IS WITH REGARD TO COMMERCIAL CODE SECTION 2201, IT HAS A SPECIFIC PROVISION THAT COVERS THIS, AND IT'S NOT ACTUALLY PARTIAL PERFORMANCE THAT WOULD TAKE IT OUT OF THE STATUTE OF FRAUDS, BUT IT WOULD HAVE TO BE SHOWN BY SENGOKU THAT THEY ACTUALLY DELIVERED PRODUCT. THAT WOULD BE THE PARTIAL [p. 8] PERFORMANCE, AND IT IS EXPRESSLY STATED IN THAT PROVISION, THE COMMERCIAL CODE.

OUR CONCERN IS, IS THAT WITH THIS PROVISION THERE IS GOING TO BE SOME CONFUSION AS TO WHAT CONSTITUTES PARTIAL PERFORMANCE IN THIS CASE.

MR. GROSS: DO I NEED TO ADDRESS THAT NOW?

THE COURT: NO.

ANYTHING FURTHER?

MR. SHAPIRO: YES, YOUR HONOR, WITH REGARD TO INSTRUCTION 15.00 GENERALLY DEALING WITH THE ISSUES OF TRADEMARK AND TRADEDRESS INFRINGEMENT. AGAIN, OUR OBJECTION WOULD BE THAT TRADEMARK WAS NOT RAISED IN THE PRETRIAL CONFERENCE ORDER AND THE COMPLAINT, TRADEMARK INFRINGEMENT.

YOUR HONOR, IN THE INSTRUCTION 15.04.02 REGARDING PLAINTIFF'S CLAIM FOR INFRINGEMENT, THE BURDENS OF – SENGOKU'S BURDEN, THERE IS A PROVISION REGARDING – BASICALLY, IT SAYS "BETWEEN A FOREIGN MANUFACTURER AND EXCLUSIVE DISTRIBUTOR, THE LAW PRESUMES THAT THE FOREIGN MANUFACTURER IS THE OWNER OR THE TRADEMARK AND/OR TRADEDRESS UNLESS THERE IS AN AGREEMENT TO THE CONTRARY." WE DISAGREE THAT THAT'S THE LAW.

THE COURT: COUNSEL, THE REASON WE HAVE LOST THIS MORNING IS BECAUSE OF THE ERRONEOUS INSTRUCTIONS THAT WERE SUBMITTED. INSTEAD OF PLAIN, NEUTRAL STATEMENTS OF THE [p. 9] LAW, YOU GET ARGUMENTATIVE INSTRUCTIONS, THEY VERY THING THAT THE COURT INSTRUCTED SHOULD NOT BE DONE.

WHAT WE HAVE PRODUCED HERE IS AS GOOD AS WE CAN DO BASED ON THE ISSUES THAT HAVE BEEN TRIED IN THIS CASE. I'M NOT GOING TO CHANGE ANY OF THEM. AND SO YOU ARE WASTING YOUR TIME. I'M GIVING YOU AN OPPORTUNITY TO SUGGEST WHAT OTHER OBJECTIONS YOU HAVE, BUT DON'T ENGAGE IN ANY ARGUMENT BECAUSE IT IS UNPERSUASIVE.

MR. SHAPIRO: ALL RIGHT, YOUR HONOR.

THIS ISSUE HAS BEEN RAISED PREVIOUSLY IN THE SUMMARY JUDGMENT MOTIONS. ONE OF THE ATTORNEYS HERE, ALAN BLOCK, IF HE COULD JUST ADDRESS THAT ISSUE BRIEFLY.

THE COURT: THE COURT DOES NOT WISH TO HEAR ANY FURTHER ARGUMENT.

MR. SHAPIRO: IN THAT REGARD, WE DID HAVE AN INSTRUCTION – REQUEST AN INSTRUCTION – AND THERE IS A NINTH CIRCUIT INSTRUCTION ON THIS POINT THAT IS NOT – THAT WE BELIEVE SHOULD BE PUT –

THE COURT: WHAT THE INSTRUCTION, COUNSEL. GET TO THE POINT.

MR. SHAPIRO: THE INSTRUCTION, YOUR HONOR, IS TRADEMARK INTEREST, MERCHANT OR DISTRIBUTOR. IT SAYS THAT A MERCHANT, DISTRIBUTOR MAY OWN A TRADEMARK THAT IDENTIFIES PRODUCTS THE MERCHANT DISTRIBUTES, SELLS, EVEN THOUGH THE PRODUCTS ARE MANUFACTURED BY SOMEONE ELSE.

[p. 10] THE COURT: IS THAT A CORRECT STATEMENT OF THE LAW?

MR. SHAPIRO: YES, YOUR HONOR, IT IS. WE WOULD ASK – THAT IS THE NINTH CIRCUIT 15.01.05.

WE WOULD ASK THAT THAT BE INCLUDED.

THE COURT: SOME OF THESE INSTRUCTIONS WERE COVERED IN THE MODIFICATIONS THAT WE HAVE MADE.

HAVE YOU FINISHED?

MR. SHAPIRO: YES, YOUR HONOR. THAT SPECIFIC INSTRUCTION WE WOULD ASK IT BE PLACED INTO THIS TRADEMARK INSTRUCTION.

MR. GROSS: YOUR HONOR, I JUST HAVE ONE SMALL POINT.

YOUR HONOR, IN THE INSTRUCTION 15.04.02, ABOUT HALF WAY DOWN IT BEGINS THE PARAGRAPH, "DEFENDANTS' OWN A FEDERAL REGISTERED TRADEMARK IN THE NAME KEROHEAT. THE PLAINTIFF CONTENDS THAT THIS REGISTRATION SHOULD BE CANCELED BECAUSE DEFENDANT HAD NO RIGHT TO OBTAIN REGISTRATION." WE DON'T HAVE ANY OBJECTION TO YOUR HONOR TRYING TO FRAME THIS IN THE RIGHT WAY, BUT I THINK THAT THE EVIDENCE WE PUT ON TO DATE IS MORE ALONG THE LINES THAT THE DEFENDANT HAD NO RIGHT TO RETAIN THE REGISTRATION, NOT THAT WE'RE CONTESTING THEY [sic] THE RIGHT TO OBTAIN IT WHEN THEY WERE UNDER AGREEMENT.

SO ARE [sic] JUST SUGGESTING THAT THIS IS GOING TO [p. 11] CONFUSE THE JURY BECAUSE WE WERE PUTTING ON EVIDENCE TO SUGGEST THAT WE DIDN'T HAVE ANY OBJECTION TO THEM REGISTERING WHEN THEY HAD IT –

THE COURT: COUNSEL, YOU CAN ARGUE TO THE JURY WHAT YOU WANT THEM TO DO. THAT'S THE PURPOSE OF ARGUMENT. YOU CAN DISCUSS THE ISSUES THAT WERE RAISED AT THE TRIAL AND THAT THE JURY WILL HAVE TO DECIDE REFLECTED IN THESE INSTRUCTIONS.

MR. GROSS: YOUR HONOR, I AM NOT DEBATING YOUR ISSUE OF LAW. I'M SIMPLY SAYING

THIS IS NOT SOMETHING THAT WE HAVE CONTENDED. WE DON'T WANT THEM TO HAVE A MISTAKEN IMPRESSION OF WHAT WE ARE CONTENDING.

THE COURT: WHAT ARE YOUR CONTENDING?

MR. GROSS: YOUR HONOR, IF WE SIMPLY CHANGE THE WORD "OBTAIN" IN THE THIRD LINE TO "RETAIN" AND THEN CONTINUE ON, "PROVE A PREPONDERANCE THAT THE DEFENDANT IMPROPERLY RETAINED THE REGISTRATION," AND THEN HAVE A PERIOD, WE WOULD BE PERFECTLY HAPPY WITH THAT.

THE COURT: YOU ARE NOT CONTENDING THEY HAD NO RIGHT TO OBTAIN THE REGISTRATION?

MR. GROSS: NO, YOUR HONOR. AND WE HAVE NEVER SAID THAT.

THE COURT: YOU ARE SAYING THEY HAVE NO RIGHT TO RETAIN IT?

MR. GROSS: THAT'S ABSOLUTELY CORRECT.

[p. 12] THE COURT: THAT CHANGE THE COURT CAN MAKE.

MR. GROSS: THAT'S THE ONLY COMMENT I HAVE, YOUR HONOR.

THANK YOU VERY MUCH.

THE COURT: HOW ABOUT THIS VERDICT FORM. WE HAVE ALREADY DISCUSSED THAT.

MR. WEIR: YES, YOUR HONOR.

THE COURT: YOU HAVE NO OBJECTION TO THE VERDICT FORM?

MR. GROSS: NO, YOUR HONOR.

THE COURT: WE WILL BRING THE JURY DOWN AND THE PLAINTIFF WILL PRESENT HIS ARGUMENT.

COUNSEL, I TOLD YOU, YOU HAVE AN HOUR. YOU CAN SAVE SOME OF THAT FOR REBUTTAL.

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# APPENDIX R

The plaintiff, Sengoku Works, Ltd., seeks damages against the defendants, RMC International, Ltd., Joseph Malaga and Michael Resmo, for trademark and trade dress infringement. The defendants contend that the trademark and trade dress belong to the defendants, and therefore denies infringing the trademark and trade dress. To help you understand the evidence that will be presented in this case, I will explain some of the legal terms you will hear during this trial.

A trademark is a word, a name, a symbol, a device, or a combination of them that indicates the source of goods or services. A trade dress is the overall appearance of a product that, in certain circumstances, can be protected because the appearance is closely identified with the owner's products. The owner of a trademark or trade dress has the right to exclude others from using that trademark or trade dress.

A person acquires the right to exclude others from using a trademark or trade dress by being the first to use it in the marketplace. Rights in a trademark or trade dress are obtained only through commercial use of the trademark or trade dress. The owner of a trademark or trade dress has the right to exclude from using the trademark or trade dress others unless it has been abandoned.

Once the owner of a trademark has obtained the right to exclude others from using the trademark, the owner may obtain a certificate of registration issued by the United States Patent and Trademark Office. Thereafter, when the owner brings an action for infringement, the owner may rely solely on the registration certificate to prove that the owner has the right to exclude others from

using the trademark in connection with the type of goods or services specified in the certificate.

In this case, the plaintiff, Sangoku Works, Ltd., contends that the defendants, RMC International, Ltd., Joseph Malaga and Michael Reseo, have infringed plaintiff's trademark and/or trade dress. The plaintiff has the burden of proving by a preponderance of the evidence that plaintiff is the owner of a valid trademark/trade dress and that the defendants infringed that trademark/trade dress.

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# APPENDIX S

* * *

name of the distributing agent), in conjunction with a manufacturer's mark, would not affect the manufacturer's ownership of the mark. However, a distributor may adopt and own a mark of its own, and may use that mark either alone or in addition to a manufacturer's mark, on goods which the distributor moves in trade. *See* TMEP § 1201.06(a).

## 1201.06 Special Situations Requiring Inquiry into Ownership

### 1201.06(a) Applicant Is Merely Distributor or Importer

A distributor, importer or other distributing agent of the goods of a manufacturer or producer does not acquire right of ownership in the manufacturer's or producer's mark merely by moving the goods in trade. *In re Bee Pollen from England Ltd.*, 219 USPQ 163 (TTAB 1983); *Audioson Vertriebs – G.m.b.H. v. Kirksaeter Audiosonics, Inc.*, 196 USPQ 453 (TTAB 1977); *Jean D'Albret v. Henkel-Khasana G.m.b.H.*, 185 USPQ 317 (TTAB 1975); *In re Lettman*, 183 USPQ 369 (TTAB 1974); *Bakker v. Steel Nurse of America Inc.*, 176 USPQ 447 (TTAB 1972). With the exception of the situations set forth below, if the applicant merely distributes or imports goods for the owner of the mark, registration must be refused under § 1 of the Trademark Act, 15 U.S.C. § 1051.

A distributor or importer for a manufacturer or producer that owns the mark can register the mark only under the following circumstances.

(1) If a parent and wholly-owned subsidiary relationship exists between the distributor and the manufacturer, the applicant's statement that such a relationship exists disposes of an ownership issue. *See* TMEP § 1201.03(c).

(2) If an applicant is the United States importer or distribution agent for a foreign manufacturer, the applicant can register the foreign manufacturer's mark in the United States, provided that the applicant submits one of the following:

(a) written consent from the owner of the mark to registration in the applicant's name, or

(b) written agreement or acknowledgment between the parties that the importer or distributor is the owner of the mark in the United States, or

(c) an assignment (or true copy) to the applicant of the owner's rights in the mark as to the United States together with the business and good will appurtenant thereto.

*See In re Geo. J. Ball, Inc.*, 153 USPQ 426 (TTAB 1967).

### 1201.06(b) Goods Manufactured in a Country Other than Where Applicant Is Located

Specimens of use may indicate that the goods are manufactured in a country other than the applicant's home country. For example, specimens submitted by an

applicant that is not located in Japan or Switzerland may indicate that the goods are "made in Japan" or "manufactured in Switzerland." In such cases, it is possible that the mark is owned by the foreign manufacturer and that the applicant is only an importer or distributor.

If it is clear from wording on the specimens or information of record or otherwise that the applicant is not merely the importer of the goods but is the owner of the mark, and that the notation means that the goods are manufactured or produced by or for the applicant in the country indicated, no inquiry need be made.

If this is not clear from the record, the examining attorney must inquire whether or not the applicant is the manufacturer or producer of the goods and, if the applicant is not, whether or not the mark is used by the foreign manufacturer or producer of the goods as that manufacturer or producer of the goods as that manufacturer's or producer of the goods as that manufacturer's or producer's mark. If the foreign entity does use the mark as owner, registration must be refused under § 1, 15 U.S.C. § 1051, unless registration in the United States by the applicant is supported by the applicant's submission of one of the documents listed in TMEP § 1201.06(a).

### 1201.06(c) Services Rendered in a Country Other than Where Applicant Is Located

A service mark may be owned by one party in the United States and by another in a foreign country. If the foreign owner does not provide any services in the United States, the applicant's claim of ownership of the mark in the United States is not contradicted. A statement

that the foreign entity does not own the mark or provide the services in the United States may resolve an ownership issue. Additional evidence such as a written acknowledgment from the foreign owner that the applicant is the owner of the mark in the United States may be required if specimens of use or other information of record

* * *